

TOWARD A MAJOR REVAMP OF THE SYSTEM OF ESTABLISHMENT ENQUIRIES

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I. SUMMARY

A very frank and candid assessment of the state of industrial statistics in the Philippines today reveals the continued existence of data collection and processing problems that seriously affect the timeliness and quality of census and survey results (World Bank 1982; Dekker 1980; Busteed 1978). Pressured by the ever increasing but conflicting requirements for more frequent and at the same time detailed data, a rather ambitious program of annual and quarterly establishment enquiries practically covering all the sectors of the economy eventually evolved without the corresponding allocation of the necessary resources. As the response burden of sample establishments rose, problems of delayed submissions of accomplished forms and/or complete nonresponse similarly increased, particularly among the larger units. These resulted in serious processing difficulties that brought about excessive time lags in the availability of census/survey results as well as inconsistencies or erratic behavior in observed magnitudes and trends.

The first part of this paper is devoted to a review of the growth and development of the system of establishment enquiries in the Philippines from the first Annual Survey of Manufacturers which was initiated in 1956 to the present system of quinquennial censuses and intercensal annual and quarterly surveys of establishments covering practically all the nonagricultural sectors of the economy. It then goes into a frank and candid assessment of the present system, identifying the major problems and their underlying causes, and raising relevant issues in the process. The last portion of the paper presents proposals for affecting a major revamp of the system of establishment enquiries, primarily directed to improve the timeliness and quality of establishment statistics generated to make these more responsive to the requirements of planning and policy formulation.

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II. EVOLUTION OF THE PRESENT SYSTEM OF ESTABLISHMENT ENQUIRIES

The Annual Survey of Manufactures (Bureau of the Census and Statistics)

The forerunner of the current annual surveys of establishments was the former Annual Survey of Manufactures (ASM). Initiated in 1956 as one of the major activities of the Statistical Survey Project (CP 106) under the former National Economic Council, the ASM was designed primarily to produce up-to-date and accurate data on employment, payroll, output, cost of production, fixed investments, inventories, and other related characteristics of manufacturing establishments and to establish a sound reporting system to maintain these data on a current basis.

The survey was basically a mailed questionnaire with personal follow-up and retrieval, utilizing a probability sample covering all known establishments employing five or more workers engaged in manufacturing activities. For purposes of the survey, the country was divided into two broad areas, namely: (1) Metropolitan Manila which included Manila, Quezon City, Caloocan City, Pasay City, and the six suburban municipalities of Makati, Malabon, Manda-luyong, Navotas, Parañaque, and San Juan; and (2) all areas outside Metro Manila. The 20 major industry groups in the standard industrial classification formed separate primary strata and each major group stratum, in turn, was further divided into six sub-strata following three sizes groupings (5-9 workers, 10-19 workers, and 20 or more workers) and the two geographical locations. All establishments with less than 20 workers were sampled at the rate of 10 percent while all establishments with 20 or more workers were taken on a complete enumeration basis.

On 1, July 1958, the ASM was integrated into the then Bureau of the Census and Statistics together with the Philippine Statistical Survey of Households and other statistical survey projects implemented by that Office. The ASM was and is still being conducted under the authority of Commonwealth Act 591 which empowers the Bureau, now the National Census and Statistics Office, to collect statistics and other information from industrial enterprises and to require the submission of needed reports within a specified period of time.

Censuses of Establishments

The 1961 Economic Census (BCS 1963)

The first postwar census of establishments was conducted in 1961 primarily to obtain data on the structure of the whole field of economic activities needed for governmental and business decisions and for economic analysis. More specifically, the 1961 Economic Census was designed to generate benchmark figures for current economic series as well as to provide a frame for planning and designing future surveys to be conducted at more frequent intervals.

Responsibility for the planning and actual conduct of the census was vested in the Economic Census Division which was created in the Bureau of the Census and Statistics in July 1960. Technical assistance focusing on the objectives, field coverage, items of data to be collected, techniques, and definitions of terms and concepts was provided by various Technical Working Committees made up of experts and specialists coming from both public and private sectors.

The census enumeration consisted of mailing the appropriate questionnaire to respondent establishments. Establishments that failed to return the accomplished questionnaires were sent reminder cards, letters, telegrams and registered follow-up letters. Within Manila and surburds, delinquent establishments were followed up by telephone and/or personal visits when the reminder cards and letters failed to elicit responses.

The census covered all licensed establishments engaged in any of the eight economic fields covered, viz., forestry and fishing; mining and quarrying; manufacturing; construction; electricity, gas and water; wholesale and retail trade; transportation and communication; and services. With the cooperation of municipal and city treasurers, private entity and individuals, exhaustive efforts were taken to achieve a complete mailing list of establishments. The ICA-NEC Directory of Key Establishments published by the Department of Labor in 1960 and the telephone and trade organization directories served as principal sources in building up the mailing list. Precanvass questionnaires were mailed to establishments to update the mailing list, particularly with respect to the establishment category (main or branch or single unit), location, kind of business, period of operation, and employment.

Two kinds of questionnaires were prepared to suit the size classification of the establishment. A common questionnaire covering aggregate data on employment, payroll, total receipts costs, use of electricity and expenditures on fixed assets was developed for all establishments with less than ten workers. For the larger units, i.e., establishments with ten or more workers, a comprehensive questionnaire was designed. This comprehensive form covered aggregated and detailed information on employment, manhours worked, payroll expenditures on fixed assets, number and capacity of power equipment, industries, shipments and other receipts, costs, and fuels and electric energy used.

Although estimates were available at both provincial and regional levels, only the national tabulations were published. However, the size and distribution structure of the number of establishments by region and by province were also made available in the publications.

The 1967 Economic Census

As in the previous census, the 1967 census covered all establishments engaged in any activity classified under the eight broad economic fields, utilizing two separate questionnaires prescribed for "large" and "small" establishments. Similarly, this census was designed to collect less items of information from the small establishments and more from the larger units. The 1967 operations, however, utilized the personal canvass method. Questionnaires were personally delivered, followed up, and collected by census field workers.

The same size cutoffs were utilized to distinguish the large establishments from the smaller units. Modifications, however, were introduced to classify all establishments engaged in electricity, gas and water, as well as those engaged in any activity with gross receipts of ₱1 million or more, as large. All large establishments were given the comprehensive questionnaire wherever they were found. Small establishments, however, were sampled as follows: (a) small establishments in poblaciones of provincial capitals, chartered cities and urban municipalities were sampled 100 percent; (b) small establishments in barrios with population of 800 or more as well as those in poblaciones of other municipalities and selected cities were sampled at 10 percent, except sari-sari stores, which were sampled at the rate of 5 percent. Small establishments in barrios with a population of

less than 800 as well as newly established establishments were simply listed and not enumerated.

Tabulations practically followed the 1961 CE tabulation programs.

The 1972 Census of Establishments (NCSO 1975)

While the 1972 CE covered all the economic fields previously covered, modifications were introduced in area stratification, sampling fractions for small establishments, and in the method of delivery and retrieval of questionnaires.

Questionnaires were personally delivered to establishments located in areas within commutable distance from census offices while the rest of the establishments were reached through registered mail. Personal collection was limited to establishments that failed to comply within the prescribed period. In Manila and Rizal, personal follow-up was augmented with reminder letters, telegrams and phone calls. Personal follow-up in the provinces was limited to establishments in the immediate vicinity of field offices.

The sampling design used was stratified systematic sampling with a random start from a list of establishments prepared during the latter part of 1972. Multiple stratification was based on activity classification, province and employment size. For the industrial sectors, establishments with 1-4 workers were sampled at the rate of 10 percent; and those with 5-9 workers were taken at the rate of 20 percent. For the nonindustrial sectors, a sampling fraction of 10 percent was used for all establishments with 1-9 workers, except sari-sari stores which were sampled at the rate of 5 percent.

The 1975 and 1978 Census of Establishments (NCSO, 1980a, 1980b)

The 1975 Census of Establishments introduced three important modifications: (1) the inclusion of agriculture and fishing establishments in the sectoral coverage; (2) the use of average monthly sales/receipts (AMSR) in the size classification of nonindustrial establishments; and (3) the availability of regional level estimates in the tabulation program.

In an attempt to monitor the contribution of this segment of economic activity to the economy, the 1975 CE included for the first time corporate establishments engaged in agriculture and fishery as well as those engaged in these activities with 10 or more workers.

While this was a welcome development, it also brought about fears of possible overlaps considering that these subsectors were also covered in the Census of Agriculture and Fishery.

In response to criticisms that gross receipts rather than employment are a better indicator of size for nonindustrial establishments, the 1975 Census shifted to the former as a criterion for size classification for this sector. The size categories under this capitalization and the corresponding sampling fractions used for the 1975 and the 1978 censuses are summarized as follows:

1975 CE		1978 CE	
<i>AMSR, in pesos</i>	<i>Sampling rate</i>	<i>AMSR, in pesos</i>	<i>Sampling rate</i>
Less than 10,000	1:10	Less than 1,000	1:20
Sari-sari stores	1:20	1,000 – 4,999	1:10
		5,000 – 49,000	1:2
10,000 and over	1:1	50,000 and over	1:1

Prior to the availability of the results of the 1975 CE, special tabulations were resorted to in order to obtain regional estimates of the major characteristics. In response to the growing clamor for regional data and considering the costs involved in generating such information through special tabulations, a decision was reached to incorporate the regional dimensions to the 1975 census tabulation program and to maintain such regional series in the future tabulation plans of the NCSO system of establishment enquiries.

Comments on the Census Programs

A very peculiar feature of the census programs is the rather independent manner with which the censuses have been planned and carried out. This could probably be attributed to the lack of permanency and continuity in the census staffs that have been tasked with the planning and conduct of the censuses that have spanned over a period of almost two decades. The apparent lack of tie-up between census listings, along with the changes effected in geographical and size classifications of establishments, introduced considerable distortions or discontinuities which could be quite difficult to rationalize.

Annual Surveys of Establishments

In an attempt to simulate the Annual Survey of Manufactures

and, thus, generate a comparable time series on the performance of the other sectors of the economy, the Annual Surveys of Establishments were initiated during the late sixties. The Annual Survey of Trade Establishments which was launched in 1968 was subsequently followed by the initiations of annual surveys covering the rest of the nonagricultural sectors.

Patterned after the designs of the economic censuses and the Annual Survey of Manufactures, the mailed questionnaire enquiries were directed to generating national and regional series of employment, payroll, gross sales, operational costs, inventories, expenditures on fixed assets, and other relevant variables. A stratified one-stage sampling design was used, taking 100 percent of the "large" units and sampling from an "updated" list of the "smaller" units.

Notwithstanding poor response rates and data processing problems, results for the smaller sectors became available with an average time lag of two to three years. Results for the bigger sectors, e.g., manufacturing, trade and services, came out with a longer time lag. As the problem resulting from the fast turnover of the the NCSO staff, particularly among programmers and systems analysts, became more acute and affected the rate and quality of output, the entire system of annual enquiries had to resort to manual processing simply to turn out more current, although very tentative, estimates. It would be quite interesting indeed to be able to quantify the extent to which this lack of tangible output has affected the response rates to the annual enquiries.

Quarterly Surveys of Establishments

The Quarterly Survey of Establishments (QSE) was first initiated in the early seventies on an exploratory basis to determine whether it was feasible to monitor on a quarterly basis monthly trends in production, employment and earnings. Although the survey ran over a period of about three years, no results became available due to the very poor response rates which ranged from 20 to 30 percent, in marked contrast to response rates of 80 percent or better for the annual surveys.¹

1. Attempts to salvage the results of these exploratory runs were undertaken by the National Accounts Staff of the NEDA Statistical Coordination Office in 1975, resulting in the publication of a national quarterly series on gross sales, employment and payroll for selected nonagricultural sectors covering the period 1972-75. Because of the very poor response rates area strata were collapsed and matched sets were formed to obtain quarter-to-quarter trends.

On the basis of experience gained from this initial exploratory run, the design of the QSE was modified. Firstly, the overall sample size was drastically reduced and oriented towards regional level estimates. Inasmuch as the thrust was more on trends than levels, the sample selection was biased towards the larger units. In availing of computed concentration ratios, i.e., shares in terms of gross receipts and employment of size strata to the total, practically no samples were drawn from the smaller size strata as soon as the cumulative share reached at least 90 percent.

Items of inquiry were limited to a minimum covering the total and relevant major components of employment, payroll, and gross receipts. As a reaction to the increasing complaints of respondents to the proliferation of similar enquiries conducted by various government agencies, an attempt was made during the latter half of 1977 to integrate the ongoing surveys of the NCSO, Central Bank, Ministry of Labor, and the Ministry of Industry into the so-called Integrated Quarterly Survey of Establishments. The various items of information of interest to the four cooperating agencies were pooled and integrated into a set of IOSE questionnaires, and the collection and processing responsibilities of each agency were properly delineated.

Dialogues were conducted with representatives of the large respondent firms to explain to them the intent and the working arrangements for the conduct of the IOSE. Discussions were conducted on the terminology used and the concepts and definitions associated with the desired items of inquiry and the expectations from the business firms sampled particularly with respect to the deadlines for submission.

During the initial period, the IQSE worked rather smoothly as each cooperating agency attended to its assigned area of responsibility. Gradually, however, institutional problems started to affect the conduct of the IQSE. Response rates started to deteriorate as individual agency priorities took precedence over their designated assignments; these, in turn, caused considerable processing problems which further added to delays in outputs. Impatience took the better part of reason, and as work on the old series continued, two conflicting sets of series eventually emerged.

In November of 1980, the Office of the President issued Letter

of Instruction No. 1082 (LOI 1082)² which provided for the centralization of data collection and processing activities relative to production, gross sales, employment and earnings in the National Census and Statistics Office, with the NEDA Statistical Coordination Office (SCO) providing technical assistance particularly in developing a new set of indices on these subject matter fields.

Thus, since January of 1981, the NCSO has been solely responsible for the quarterly monitoring of monthly trends on production, gross sales, employment and earnings through its Quarterly Survey of Establishments. Immediately after the withdrawal of the Central Bank, Ministry of Labor and Ministry of Industry from the IQSE, "confusion" on the institutional responsibilities appeared to have crept in, resulting in the further deterioration of response rates. Concerted efforts, however, are being directed to improve the situation.

III. PROBLEMS AND ISSUES

Poor Response Rate

A major reason given for the considerable time lag between data collection and the availability of results had been the persistent low rate of response to the annual and quarterly enquiries. Complete nonresponse and/or delays in the submission of establishment reports, particularly among the larger establishments, have either directly or indirectly affected both the timeliness as well as the accuracy of survey results. Incomplete returns of the sample or certainty establishments pose considerable problems of imputations and consequently impose substantial delays in data processing.

The poor response rate to establishment enquiries could be attributed to a number of causes. First and foremost is the apparent waning interest of respondents in government surveys, probably because of inability of survey agencies to furnish their clientele with survey results in time for use in their assessment and planning exercises, or simply because respondent establishments fail to appre-

2. A system of forms review and clearance was set up under the NEDA Statistical Coordination Office in order to minimize the unnecessary duplication of statistical activities in government. The LOI directed all agencies to secure the necessary NEDA clearance prior to the conduct of any statistical activity.

ciate the importance of such enquiries. A second reason advanced is the tremendous burden such enquiries impose on the respondents because of the very extensive and detailed information sought which is further aggravated by the past proliferation of government surveys on practically the same subject matter fields.

The situation has not been improved upon either by the obsolescence of Commonwealth Act 591, which provides very nominal penalties for nonresponding firms, or the hesitancy of the office to execute the necessary legal measures to run after delinquent respondents. There is, of course, merit in resorting to moral suasion rather than to legal sanctions in soliciting the cooperation of the private sector in establishment enquiries. But when the level of nonresponse reaches considerable proportions, it may be necessary to wield the big stick to keep the delinquent establishments in line.

While the provisions of LOI 1082 have kept the unnecessary duplication of establishment enquiries to a minimum, business firms still submit their financial statements to the BIR for taxation purposes, to the Securities and Exchange Commission as well as to the relevant government body for regulatory purposes, and substantially the same information to the NCSO for statistical purposes. Certainly, this is one area which this forum could focus upon for possible policy recommendations.

Further to this, one could raise a number of questions. For example, with the firms' completion of their income tax returns and the submission of the same along with the complete set of financial statements *sans* any delay on or before the scheduled deadline, one wonders why the same firm would take a much longer time before it submits substantially the same information to the NCSO. Is there a communication gap between the survey agency and the suppliers of information through the incompatibility between the nomenclature or concepts reflected in the structured survey forms and the manner in which these same items of information are recorded in the establishment's book of accounts?

Large Sample Sizes

In order to generate reliable estimates on the characteristics of about 500 thousand establishments at provincial and regional levels, censuses and surveys of establishments virtually conduct a census of all the large units along with a sample survey of the smaller units for each industry stratum. During censuses, a total sample size of

about 200 thousand is taken to present characteristics at the provincial level. Annual surveys utilize a sample of about 28 thousand establishments for regional level estimates, while the quarterly enquiries cover some 16 thousand sample establishments to monitor monthly trends on production, employment and compensation at the regional level.

The predilection for larger sample sizes has been justified by the need to maintain acceptable levels of reliability while catering to the ever increasing clamor for smaller area details. Thus, when the annual survey of establishments was first initiated in the early 1970's, an overall sample size of about 20 thousand was utilized to generate regional level estimates. The sample size was substantially increased to about 36 thousand in 1979 in an attempt to present provincial level characteristics. The program for provincial level estimates, however, was aborted the following year after due consideration of the additional cost. The program and, correspondingly, the sample size shifted back to regional level estimates with provisions for rough provincial level tabulations to take care of data requirements of provincial users.

While the overall sample size for the quarterly surveys has been pegged down to about 16 thousand, the size was still considered too large to meet the required standard of timeliness. Noting that the overall trend has invariably been dictated upon by the behavior of the giant firms, a "priority" sample of about 2,000 of the largest units was selected and given top attention in collection and processing in order to generate national level indicators of performance within the quarter immediately following the reference quarter. However, considerable difficulties are still being encountered with respect to the collection and processing of the larger QSE sample.

The issue of timeliness vis-a-vis the increasing demand for smaller area statistics along with the emerging need to monitor the performance of small establishments brings to the fore not only the need to review the overall sample size but also the necessity of rationalizing and integrating the censuses and surveys of establishments to make the system more responsive to the increasing requirements of the planning and decision-making processes at the national, regional, and smaller area levels. As the saying goes, "one cannot have his cake and eat it too."

Timeliness could only be brought about by decreasing the size of the sample and/or minimizing the volume of details sought, given

a certain level of data collection and processing efficiency. On the other hand, there is certainly a need for a relatively larger sample size in generating smaller area statistics to satisfy a given level of reliability, assuming once again the same levels of collection and processing efficiency. The same holds true in monitoring the characteristics of the smaller units, which number about 400 thousand insofar as establishments employing 1-9 workers are concerned.

Lack of Integration Between Censuses and Annual Enquiries

While the censuses and the annual surveys, collectively, were supposed to represent a continuous time series for each of the major establishment characteristics, an analysis of the resulting series reveals marked discontinuities during census years. This is particularly true of the number of establishments and the aggregate magnitudes of the major characteristics.³

A major reason which could be advanced to explain the non-comparability of the results of censuses and annual surveys is the fact that census operations are handled by a group of people different from the divisional staff handling the annual and quarterly enquiries. Notwithstanding the availability of international recommendations for industrial enquiries, independence of operations could very well result in considerable differences in the adopted concepts and definitions, coverage and operational procedures which serve as guideposts in the planning and conduct of the enquiries. It was precisely in recognition of this rather awkward situation that an integration of responsibilities for censuses and the surveys of establishments was effected in the NCSO organizational setup some two years back.

Another root cause for the observed discontinuities during census years lies in the very unsystematic and inefficient way in which the sampling frames were updated. It might be recalled that a massive listing of all recognizable establishments was undertaken as an initial

3. Bautista, in his article "Employment and Labor Productivity in Manufacturing," *NEDA Journal of Development*, No. 1, 1974, comments: "Based on the 1961 results . . . there appear substantial discrepancies between the manufacturing data from the Economic Census and ASM data. . . . One would therefore be well-advised not to use data from the 1961 Census to form with ASM data an annual time series on employment (and, for that matter, any other variable), at least for the small scale establishments."

phase of census operations for all censuses so far undertaken. As soon as such lists became available, they served as sampling frames for subsequent annual and quarterly enquiries.

Despite provisions for the regular updating of the sampling frames, there were hardly any indications to show that the system was working efficiently. On the contrary, the emerging stepwise pattern in the growth of the total number of establishments (N), characterized by a sudden rise during the census year followed by intercensal periods of almost imperceptible growth and even declines, throws serious doubts on the efficiency of the system. Considering that estimates of total characteristics for each stratum are obtained by multiplying the mean value of the characteristic as observed from the sample by the total number of establishments reported in the given stratum, one could appreciate the importance of setting up an updating system that would generate an accurate count or estimate of N .

If one considers that in a single listing of the universe of establishments amounting to about 500 thousand, about four-fifths or an estimated 400 thousand are made up of the very unstable small units, one could readily imagine the considerable difficulty and the tremendous cost that will have to be incurred in efficiently maintaining an updated list.

Inadequate Resources in Support of Establishment Enquiries

Finally, one must admit that, notwithstanding the seemingly substantial budgetary allocations of the National Census and Statistics Office, they are still inadequate to finance the manpower requirements, the necessary equipment outlays, and the increasing operational costs needed in support of the system of establishment enquiries.

The NCSO is probably the only government agency with field offices in the regional, provincial and municipality levels which is not equipped with its own transport facilities to cope with its ever increasing program of data collection. Complete reliance on public conveyances in commuting between sample areas and field stations is, in the long run, more costly and inefficient and hardly contributes to the building up of the proper image of a respectable and efficient custodian of confidential information solicited from respondent business firms. The recent experience of providing hired

vehicles for the exclusive use of Manila enumerators in following-up and/or retrieving accomplished questionnaires for the quarterly enquiries has indicated a significant improvement in the response rates during the period.

It might also be argued, at this point, that there is a need to improve the physical infrastructures of field and central offices, and to locate them in easily accessible and respectable areas. The offices have to have the necessary facilities, too, to make them more conducive to greater efficiency. The program of decentralizing processing activities to improve timeliness should also be supported with the provision of the necessary processing and communication equipment and softwares.

The strength of any organization is largely dependent on the availability of an adequate-sized staff of well-trained and experienced personnel capable of attending to the day-to-day requirements of survey operations and reacting to operational problems and emerging issues. For instance, the current difficulties of the NCSO to improve on the timeliness and quality of their survey outputs have largely been attributed to its difficulty in recruiting and maintaining well-qualified and experienced statisticians and programmers arising from its relatively uncompetitive pay scales.

IV. PROPOSALS FOR THE INTEGRATION AND RATIONALIZATION OF ESTABLISHMENT OF ESTABLISHMENT ENQUIRIES

Objectives

The overall goal of the proposed program is the integration and rationalization of establishment enquiries in order to produce timely, reliable, and relevant statistics on all sectors of the economy.

More specifically, this program is designed to accomplish the following objectives:

- 1) To reduce the response burden on sample establishments and improve on the quality of response by minimizing the items of inquiry and simplifying survey questionnaires;
- 2) To reduce the work load on data processing and field operations by reducing the sample size and frequency of collection, and instituting the necessary mechanisms for ensuring better establishment cooperation;
- 3) To explore the utilization of existing administrative reporting

channels to minimize the scope and coverage of censuses and surveys of establishments; and

4) To draw up a comprehensive and systematic program of operation for all establishment enquiries consistent with the requirements of national income estimation, index construction, and the various uses of the system of industrial statistics.

Proposed Framework

The proposed system of establishment enquiries is designed to cover all productive units in the nonagricultural sector of the economy, using the establishment as statistical unit.

The scheme recognizes the dualistic future of the economy where household type industries exist side by side with the small, medium and large scale establishments in the formal or organized sector. For operational purposes, the household type industries have been grouped with the smaller units of the formal sector because of the difficulty of distinguishing the former from the latter. Moreover, in view of their very unstable pattern of operation and ownership, maintaining them in a register for sampling purposes will be not only a very expensive but also a very difficult task.

The proposed framework for the system of establishment enquiries is presented in Table 1. The entire program is divided into four components, each of which practically differs from the others in terms of immediate objective, frequency, sectoral coverage, items of inquiry, sample size and level of sampling and scheduled time of availability.

The entire program of establishment enquiries, although made up of four independent components, is designed to supplement and reinforce each other in order to provide a comprehensive picture of the structure and workings of the nonagricultural segment of the Philippine economy over a period cycle of five years.

Census of Establishments

The first component, the Census of Establishments (CE), is proposed to be conducted every five years, primarily to provide benchmark levels for selected major characteristics down to the provincial and even subprovincial levels.⁴ For the first time, area sampling will

4. Maximum utilization of existing administrative or regulatory reporting systems is proposed in order to minimize the duplication of survey activities.

TABLE 1
FRAMEWORK FOR THE PROPOSED SYSTEM OF ESTABLISHMENT ENQUIRIES

	<i>Type of productive unit</i>					<i>Scope of directory</i>	<i>Approach</i>
		<i>CE</i>	<i>ASE</i>	<i>QSE</i>	<i>SIS</i>		
F O R M A L S E C T O R	Household industries	X			X		Area sampling using household type enquiry covering units selected from updated lists of units in sample psu's
	Small-scale industries	X	1/		X	2/	
	Medium-scale industries	X	X		X	X	Mailed questionnaire using personal follow up covering units selected from the Directory of Establishments.
	Large-scale industries	X	X	X	X	X	
	Geographic area disaggregation	Pro- vincial	Re- gional	Na- tional	Na- tional		

1. Annual estimates of Key summary characteristics based on an updating of units in sample psu's.
2. Updated listing of productive units in sample psu's.

be resorted to in order to list units and enumerate the required characteristics of the smallest units (the household type industries and the small units of the formal sector). This is expected to avoid diffusion of efforts and resources in maintaining and updating the directory or registry of establishments which should be confined to the more stable units in the formal sector of the economy. Such a listing will subsequently serve as the sampling frame for the sample of medium and large-scale establishments. Area listing, in turn, will serve as sampling frames for the selection of the sample of small establishments. Under this modified thrust, census results are expected to be available with a two-year time lag.

Annual Survey of Establishments

The second component, the Annual Survey of Establishments (ASE), is envisioned to provide annual levels and trends on selected characteristics at both the national and regional levels. With a reduced sample size and simplified questionnaire, results could be made available before the end of the survey year.

Quarterly Survey of Establishments

The Quarterly Survey of Establishments (QSE), the third component, is designed to provide monthly and quarterly trends on about four selected major characteristics, initially at the national level and subsequently at the regional level. With a reduced sample size of about 3,000 medium and large-scale establishments, the results are expected to become available within the quarter following the reference quarter.

It is expected that the information to be generated will serve as an input to the construction of national monthly/quarterly indices on the selected major characteristics, and will be useful also for national income estimation. Eventually, with regional level estimates, regional monthly/quarterly indicators could be constructed which could pave the way for a substantial reduction in the time lag between the national and regional income accounts.

Special Industry Studies

Considering the stability of production structures over a relatively short period of time, it is proposed that these, along with some

other structural details which hardly change over time, be dropped from the CE and the ASE. To fill up the resulting data gaps particularly needed for national income estimation, Special Industry Studies are being proposed to be conducted on a staggered basis over the five-year period. Results could be processed in collaboration with the NCSO Research and Special Studies Department, and a small representative sample could be made available with a maximum time lag of two years. The information generated will be comprehensive enough for an in-depth analysis of the industry or sectoral group.

Summary

With the projected reduction in frequency, scope and coverage, and sample size for all components of the proposed program of establishment enquiries, a much improved response rate on the part of sample establishments, along with a much reduced work load on the part of field and central office staff, is expected to bring about a significant improvement in the timeliness and quality of census and survey results.

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